



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION, SERVICES AND TECHNOLOGY
ATTN: M. HARTMAN
WASHINGTON, D.C. 20315-5000

09 OCT 2003

SFCA-CP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Management and Oversight of Acquisition of Services Process

On May 31, 2002, the Under Secretary of Defense, Acquisition, Technology and Logistics (USD(ATL)) directed each of the military departments to establish a review structure and process for the acquisition of services in accordance with the mandates of Section 801(d) of the National Defense Authorization Act of FY 2002, Public Law 107-107 (Enclosure 1). This requirement recognizes the importance of service acquisitions to the Department of Defense (DoD) and the need to treat the acquisition of services as seriously as the acquisition of supplies or weapons systems.

The Army's implementation plan was approved by the USD (ATL) on February 7, 2003, (Enclosure 2) and the Deputy Assistant Secretary of the Army (Policy & Procurement) was delegated authority to review and approve service acquisitions with a total planned value of \$500M or more on April 9, 2003, (Enclosure 3). The management and oversight process does not apply to service acquisitions that are part of a weapon systems acquisition program or information technology service acquisitions, each of which will be reviewed and approved as part of the program management process in accordance with DoDD 5000.1, DoDI 5000.2, and/or applicable policy memoranda.

To ensure appropriate consideration of critical issues, an Army Services Strategy Panel (ASSP) shall be conducted at Headquarters, Department of the Army level for all services acquisitions with a total planned value of \$500M or more. The panel will provide a structured forum at which issues requiring senior level consideration can be presented and resolved. The panel review will assure that services acquisitions are acquired by business arrangements that are of the highest quality, performance-based, planned and administered to achieve intended results and in the best interests of the Army and DoD.

Program Executive Offices (PEOs), Direct Reporting Program Managers and Head of Contracting Activities (HCAs) shall conduct ASSPs for service acquisitions with a total planned value between \$100M and less than \$500M. Procedures that govern the process should mirror the Headquarters, Department of the Army level procedures.

For service acquisitions with a total planned dollar value less than \$100M, a review and approval process shall be implemented consistent with operational impact and risks associated with the service acquisition.

Enclosure 4 is a draft of the regulatory AFARS guidance, which establishes the review procedures, timelines and reporting requirements.

HCA's shall develop their internal process and procedures and provide a copy of the implementation plan to me (with a copy to the Army Contracting Agency (SFCA-CP), the Army's focal point for services contracting), within 60 days of the date of this memorandum.

Thank you for your support in this matter. I am confident that this process will provide the highest quality service acquisitions, that will support and enhance the Army's war fighting capabilities.



E. Ballard

Deputy Assistant Secretary of the Army
(Policy and Procurement)

Enclosures

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1301 Anderson Way, S.W., Fort McPherson, GA 30330-1096
U.S. Army Contracting Agency, Northern Region, ATTN: SFCA-NR, 5
North Gate Road, Building 5F, Room 306, Fort Monroe, VA 23651-1048
U.S. Army Contracting Agency, Information Technology, E-Commerce and
Commercial Contracting Center (ITEC4), ATTN: SFCA-IT, 2461
Eisenhower Avenue, Hoffman Building 1, Alexandria, VA 22331-1700
U.S. Army Contracting Command, Europe, ATTN: SFCA-EC, Unit 29331,
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U.S. Army Contracting Command, Korea, ATTN: SFCA-KC, Unit 15289,
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Headquarters, U.S. Army South, ATTN: PARC, P.O. Box 34000, Building
223, Fort Buchanan, PR 00934
U.S. Army Contracting Command, Southwest Asia, ATTN: SFCA-SA,
1881 Hardee Avenue, S.W., Fort McPherson, GA 30330-1064
U.S. Army Aviation and Missile Command, ATTN: AMSAM-AC, Building
5303, Redstone Arsenal, AL 35898-5000
U.S. Army Robert Morris Acquisition Center, ATTN: AMSSB-AC,
4118 Susquehanna Avenue, Aberdeen Proving Ground, MD 21005-
3013
U.S. Army Communications-Electronics Command, ATTN: AMSJM-CC,
Building 1208E, Fort Monmouth, NJ 07703-5000

U.S. Army Joint Munitions Command (Prov), ATTN: AMSOS-CC, Building 350, 5th Floor, NW Wing, Rock Island, IL 61299-6000

U.S. Army Tank-Automotive and Armaments Command, ATTN: AMSTA-AQ, Building 231, Warren, MI 48397-5000

Defense Contracting Command-Washington, 5200 Army Pentagon, Washington, D.C. 20310-5200

U.S. Army Medical Command, ATTN: MCAA, Building 2792, Suite 32, 2050 Worth Road, Fort Sam Houston, TX 78234-5069

U.S. Army Intelligence and Security Command, ATTN: IAPC, 8825 Beulah Street, Fort Belvoir, VA 22060-5246

U.S. Army Medical Research and Materiel Command, ATTN: MCMR-AA Z-A, 820 Chandler Street, Fort Detrick, MD 21702-5014

Military Traffic Management Command, ATTN: MTAQ, Hoffman Building II, 200 Stovall Street, Alexandria, VA 22332-5000

U.S. Army Space and Missile Defense Command, ATTN: SMDC-CM (PARC), P.O. Box 1500, Huntsville, AL 35807-3801

U.S. Army Corps of Engineers, ATTN: CEPR-ZA, 441 G Street, NW, Washington, D.C. 20314-1000

National Guard Bureau, ATTN: NGB-AQ, Suite 8300, Jefferson Plaza 1, 1411 Jefferson Davis Highway, Arlington, VA 22202-3231

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HQ, U.S. Army Materiel Command, ATTN: AMCCP, AMCCP-P, AMCCP-O, & AMCCP-A, 5001 Eisenhower Avenue, Alexandria, VA 22333-0001